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### Weekly Highlights and Hot Bites No. 26

#### Report Categories:

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#### Approved By:

Oliver Flake

#### Prepared By:

A. Govindan, Santosh Singh, Deepa Dhankhar, Amit Aradhey

#### Report Highlights:

\*'Below Normal' monsoon may delay kharif sowing\*, \*Food security first, Sonia write to the Prime Minister\*, \*Wheat procurement at 24.7 million tons\*, \*Cabinet extends stock limit order on sugar traders by six months\*, \*Monsanto launches initiative to improve farmers' lot\*, \*Subsidize milk powder export: Dairy industry\*, \*Huge drop in Himachal's apple forecast\*, \*Coming soon: Mangoes, Bananas that last longer\*, \*Amul ranks among top 21 global dairy business companies\*, \*Centre may bring back subsidized cooking oil scheme for poor\*.

#### General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been

made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

### **'BELOW NORMAL' MONSOON MAY DELAY KHARIF SOWING**

The Indian Meteorological Department (IMD) has downgraded its southwest monsoon rainfall forecast for the country to "below normal" from the earlier "near normal". According to IMD's second stage forecast released on June 24, total rainfall during the current monsoon season (June-September) is likely to be only 93 percent of the long period average (LPA) of 890 mm, categorizing it as "below normal". In its first stage forecast on April 17, the IMD had pegged aggregate rainfall for the season at 96 percent of the LPA, translating into a "near normal" monsoon. This year's monsoon has so far been bad, with the country as a whole receiving hardly 46 percent of its normal quota on June 23. The drought-prone Central India region has registered a deficiency of almost 75 percent. (Source: Business Line, 06/25/09)

*Post Comment: For details of the latest monsoon forecast, please see [www.pib.nic.in/release/release.asp?relid=49361](http://www.pib.nic.in/release/release.asp?relid=49361)*

### **FOOD SECURITY FIRST, SONIA WRITES TO THE PRIME MINISTER**

Taking the lead in setting the agenda for the United Progressive Alliance (UPA) government's second term, the Congress President Sonia Gandhi has written to Prime Minister Manmohan Singh asking him to fulfill the party's poll promise of food security for all. This is Sonia's first letter to the Prime Minister in his second term as head of the UPA government. In her letter to the Prime Minister dated June 12, Sonia writes " ...one of the most prominent and important commitments made by our party in the 2009 Lok Sabha election manifesto relates to the enactment of the National Food Security Act to ensure food security for the poor and vulnerable sections of the society. I am sending a copy of the draft legislation for your consideration". The draft 'Right to Food (Guarantee of Safety and Security) Act' has proposed freedom from hunger and malnutrition a fundamental right. It will "provide for and assert the physical, economic and social right of all citizens to have access to safe and nutritious food, consistent with an adequate diet necessary to lead an active and healthy life with dignity..." (Source: Financial Express, 06/25/09)

### **WHEAT PROCUREMENT AT 24.7 MILLION TONS**

The Food Corporation of India and other State agencies have procured nearly 24.7 million tons of wheat so far in MY 2009/10. A higher minimum support price, which was raised to Rs.

10,800 (\$225) per ton, is one of the main reasons for higher procurement this year, according to experts. The states of Punjab and Haryana, where the procurement has almost ended, contributed the most to the central pool. Procurement from Punjab touched 10.72 million tons against 9.94 million tons last season. Haryana contributed 6.91 million tons to the central pool. (Source: Business Line, 06/24/09)

### **CABINET EXTENDS STOCK LIMIT ORDER ON SUGAR TRADERS BY SIX MONTHS**

The Union Cabinet extended the stock limit order imposed on sugar traders by a further six months to January 2010 to curb the rise in sugar prices. Earlier in March 2009, the Centre had issued stock limit orders for four months up to July 2009. The central government has also advised the states to make effective use of the stock limit orders to prevent hoarding and bringing about moderation in sugar prices. (Source: Hindu 6/20/09)

### **MONSANTO LAUNCHES INITIATIVE TO IMPROVE FARMERS' LOT**

Monsanto India has launched an initiative called SHARE (Sustainable harvest-Agriculture, Resources, Environment) to improve farmers' lives as part of its commitment to help increase global food production in the face of growing demand, limited natural resources, and a changing climate. Under this project, the company is planning to identify 10,000 corn and cotton farmers across three states to improve their socio-economic conditions by increasing their crop productivity. An independent organization will conduct a study to identify small and marginal farmers for this project. The project entails guidance on crop sowing, management, and marketing. (Source: Business Standard 6/21/09)

### **SUBSIDIZE MILK POWDER EXPORT: DAIRY INDUSTRY**

The Indian dairy industry is seeking an export subsidy of INR 25 per kg (50 cents) on milk powder to compete with subsidized products from the United States and the European Union in the international market. The Indian Dairy Association (IDA) has already made a representation to the government on this issue. The IDA spokesman said that subsidies by the EU and the U.S. have depressed international prices. According to industry sources, the annual allocation on this subsidy could be to the tune of USD 40 million (INR 2 billion), based on the 80,000 tons of milk powder exports in 2007/08 (October/September). (Source: The Business Standard, 06/24/09)

### **HUGE DROP IN HIMACHAL'S APPLE FORECAST**

The apple crop in the state of Himachal Pradesh has been adversely affected by a snowless winter coupled with a prolonged dry spell and lack of rainfall in summer months. Therefore, the state's horticulture department has forecast a huge drop in production, a month ahead of the apple harvest season. Apples are grown in 86,000 hectares in this hill state. According to the final report submitted by the state horticulture department, total apple production during the current year is estimated at around 18 million boxes (each box weighs 20-26 kgs fruit) compared to 25.5 million boxes last year. (Source: Business Standard, 06/22/09)

### **COMING SOON: MANGOES, BANANAS THAT LAST LONGER**

The National Botanical Research Institute (NBRI) in Lucknow is working to develop transgenic varieties of mangoes and bananas that will last longer than the existing varieties because of delayed ripening. The aim of this technology is to increase the shelf life of these fruits and reduce their wastage during transportation. India produces 45 million tons of fruits every year but 30 to 50 percent is lost to post-harvest deterioration. Every one percent reduction of loss will save the country around USD 50 million (INR 2.5 billion) annually. The delay in fruit ripening will also boost exports, making Indian mangoes and bananas reach other parts of the world. However, at least three to four generations of the plants need to be monitored in the controlled atmosphere to check the genetic modifications before the technique can be utilized directly on the field. (Source: The Indian Express, 06/19/09)

### **AMUL RANKS AMONG TOP 21 GLOBAL DAIRY BUSINESS COMPANIES**

The Gujarat Cooperative Milk and Marketing Federation (GCMMF), which owns the 'Amul' brand has been ranked among the top 21 largest dairy businesses in the world by the International Farm Comparison Network (IFCN). Interestingly, all the top 21 milk processing companies in the organized sector accounted for only 21 percent of the global market share. Therefore, the unorganized and semi-organized sectors still account for more than 75 percent of global milk production. The GCMMF, with 0.4 percent market share entered the top league for the first time. The IFCN analysis was based on the IFCN daily report 2008 with data representing the year 2007. However, with the substantial growth recorded by the GCMMF during the past two years, its ranking is expected to improve to the 16<sup>th</sup> rank in the current year. (Source: The Business Line, 06/25/09)

### **CENTRE MAY BRING BACK SUBSIDIZED COOKING OIL SCHEME FOR POOR**

The Central government is considering the re-introduction of the subsidized cooking oil scheme to provide subsidized cooking oil to people Below Poverty Line (BPL) through ration shops in the 2009-10 Budget, which will be presented by the Finance Minister on July 06. With the UPA Congress party-led government coming to power with an increased majority,

sources said the scheme this time may offer cooking oil at Rs 30 per kg to BPL families  
(Source: Financial Express, 06/24/09)

#### **RECENT REPORTS SUBMITTED BY FAS/NEW DELHI**

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